MINUTES
OF THE MEETING OF
THE NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

February 27, 2008

A meeting of the Members of the New York City Housing Development Corporation (the "Corporation" or "HDC") was held on Wednesday, February 27, 2008, at the offices of the Corporation, 110 William Street, 10th Floor, New York, New York 10038. The meeting was called to order at 3:05 p.m. by the Chairperson, Shaun Donovan, who noted the presence of a quorum. The Members present were Harry E. Gould, Jr., Mark Page, Michael W. Kelly and Charles G. Moerdler. Shortly thereafter at 3:08 p.m. while the meeting was in progress, Martha E. Stark arrived. There were no Members absent. A list of observers is appended to these minutes.

The Chairperson called for the approval of the minutes of the meeting held on December 19, 2007.

Upon a motion duly made by Mr. Kelly, and seconded by Mr. Moerdler, the Members unanimously:

RESOLVED, to adopt the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the President's Report. He stated that it was with great excitement that he called on Marc Jahr for his official Report as President of the Corporation.

Mr. Jahr thanked the Chairperson and, after noting that this was his first board meeting and his first President's Report, thanked HDC's staff for all their generous support and guidance. He stated that when he assumed his responsibilities as President, he believed the Members understood, better than he did, the strength of the staff, its technical competence and dedication to HDC's mission and its role in fulfilling the goals of Mayor Michael R. Bloomberg's *New Housing Marketplace* plan. However, Mr. Jahr stated, in a very short period of time, he had also come to respect HDC's staff and rely on its high professionalism and sound technical advice. He said that HDC's staff had made his transition into his role as President far easier than he would have imagined and he publicly thanked them again for their efforts.

Mr. Jahr stated that although they're not in the room, he wanted to thank Emily Youssouf, John Crotty and Rachel Grossman for leaving him and the Members with a Corporation that possesses not only a strong staff but solid systems and a comprehensive array of housing initiatives. He stated that he would also like to thank the Chairperson and the Members for their willingness to take time out of their busy schedules to meet with him over the past few weeks to share their experience, understanding and wisdom about HDC's activities. He again stated how deeply he appreciated the Members' generosity, noting that it had made his assumption of his position infinitely easier.

Finally, Mr. Jahr stated, he wanted to thank Howard Berkman and the staff of Hawkins, Delafield & Wood LLP, the Corporation's Bond Counsel, as well as Kent Hiteshew and his staff at Bear Stearns & Co. Inc. for their great patience as he had asked his questions and attempted to move up a challenging learning curve during a time of startling turmoil in the bond markets. He said that they had proven to be great, reliable mentors.

Mr. Jahr stated that he would like to talk briefly about today's agenda and also provide the Members with a summary of the Corporation's current efforts to secure the tax-exempt volume cap that's essential to HDC's work.

Mr. Jahr stated that the Corporation had a remarkably robust pipeline of tax exempt and taxable bond deals that exceeded a billion dollars and would require the Members' consideration as the year unfolded. Mr. Jahr said that, apart from the normal course of events, the turmoil in the auction rate bond market was compelling the Corporation to restructure the financing of a number of existing projects, noting that later in the meeting, Richard M. Froehlich, Senior Vice President and General Counsel for the Corporation, would discuss the status of the Corporation's auction rate portfolio and HDC's efforts to reduce its exposure in this arena.

Mr. Jahr stated that prior to such report, the Corporation would seek approval from the Members for bond financing associated with two projects of scale and strategic importance. He said that as part of HDC's preservation efforts, the first would fund the refinancing and rehabilitation of a 1,527 unit Mitchell-Lama development that had served as a source of long-term stability in Brownsville, Brooklyn, and that the second development would be the 904 unit, mixed-use Beekman Towers development, which would be located only a few blocks from HDC's office. Mr. Jahr stated that the Beekman Towers project, to be developed by Forest City Ratner and designed by Frank Gehry, promises to enter into an interesting conversation with Cass Gilbert's Woolworth Building, only a couple of blocks west of it, and help drive the continued revival of Lower Manhattan.

Mr. Jahr stated that in the course of today's meeting, he would also seek the Members' approval of three appointments that would round out the Corporation's senior management team. He said that he was recommending that Richard Froehlich and Mathew Wambua be appointed Executive Vice Presidents and Joan Tally be appointed a Senior Vice President. He said that he was excited by these proposed appointments and would present them to the Members for formal consideration later in the meeting.

Finally, Mr. Jahr stated, before moving on to the heart of the agenda, he'd like to talk briefly about the Corporation's efforts to secure tax-exempt volume cap for its 2008 pipeline. Mr. Jahr said that as he noted previously, the Corporation had an extraordinary pipeline. He said that it was February and the Corporation had approximately $950 million in tax-exempt deals, with ten more months remaining for new deals to come in through the door. Mr. Jahr stated that to date, the City of New York's Industrial Development Agency ("IDA") had committed $210 million in volume cap to support HDC's efforts, and that HDC was pleased with this early commitment, which was in line with the IDA's past commitments to the Corporation but noted that this leaves HDC with a significant shortfall. Mr. Jahr stated that to address that shortfall, he and the Chairperson had been engaged in on-going discussions with the State of New York's Housing Finance Agency and, in particular, with its President, Priscilla Almodovar. He stated that these discussions remain to be concluded but that they've been collegial and promising.

Additionally, Mr. Jahr stated, the City continues to be involved in discussions with our Congressional representatives, in particular with Senator Schumer's and Congressman Rangel's offices about increasing the amount of volume cap available for the City, State and Nation. Mr.

Jahr said that for a brief moment, a $10 billion increase in mortgage revenue bonds was included in the economic stimulus package; however, in the interest of the timely passage of a stimulus bill, it was excised from the legislation along with a variety of other items. Mr. Jahr stated that presently, a second stimulus package was being discussed in Washington that, again, includes a substantial increase in volume cap and provisions that would allow it to be devoted to multi-family housing, and that at the same time, a proposal to allow cap to be recycled remains alive in Congress, and that the Corporation would continue to nurture support for it through Senator Schumer's and Congressman Rangel's offices. Mr. Jahr stated that it was unclear what the outcome of the Corporation's discussions with the State and its efforts in Washington would be, but he said that the Corporation's need was great and its ability to execute on this pipeline was proven, so HDC will continue to persist in its efforts to secure as much cap as possible to fund these deals in as timely a manner as is possible.

Mr. Jahr stated that despite the challenges surrounding volume cap and the unfolding economic turbulence, he was truly optimistic about the coming year. He said that the Corporation was fundamentally sound, that HDC had a terrific partner in HPD, and that it had a series of deals ready to be financed that were going to make a difference in the City's neighborhoods. He said that he was looking forward to working with everyone as we move this agenda ahead.

The Chairperson stated that the next item of business on the agenda would be the approval of the Amendment of the Corporation's By-Laws. He called upon Mr. Froehlich to advise the Members regarding this item.

Mr. Froehlich referred the Members to the memorandum before them entitled "Amendment of Corporation By-Laws" dated February 19, 2008 (the "Amendment of Corporation By-Laws Memorandum") and the attachments thereto, all of which are appended to these minutes and made a part hereof. He stated that HDC was requesting a modification of the Corporation's By-Laws to permit the Corporation to have one or more Executive Vice Presidents. He said that the By-Laws had been revised to correlate to having more than one Executive Vice President, and noted that the Members had been provided with both a clean and marked copy showing changes from the last amendments to the By-Laws which were passed in April 2004. Mr. Moerdler stated that there didn't appear to be a cap under the amended formulation and so theoretically, there could possibly be 53 Executive Vice Presidents. Mr. Froehlich stated that there could only be as many as the Members approved, noting that all appointments of Executive Vice Presidents are subject to approval by the Members. Mr. Moerdler stated that if all were as competent as Mr. Froehlich he would approve them.

Upon a motion duly made by Mr. Moerdler, and seconded by Mr. Kelly, the Members unanimously:

RESOLVED, to approve the amendment of the Corporation's By-Laws as described in the Amendment of Corporation By-Laws Memorandum.

The Chairperson stated that the next item of business would be the approval of the Corporation's Multi-Family Rental Housing Revenue Bonds (Linden Plaza), 2008 Series A. He called upon Anne Neujahr Morrison, Senior Project Manager for the Corporation, to advise the Members regarding this item.

Ms. Morrison referred the Members to the memorandum before them entitled “Multi-Family Rental Housing Revenue Bonds (Linden Plaza), 2008 Series A” dated February 19, 2008 (the “Linden Plaza Memorandum”) and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Rental Housing Revenue Bonds (Linden Plaza) Bond Resolution and Certain Other Matters in Connection Therewith (the “Authorizing Resolution”); (ii) the Multi-Family Rental Housing Revenue Bonds (Linden Plaza) Bond Resolution (the “Bond Resolution”); (iii) the Official Statement, and (iv) the Bond Purchase Agreement, all of which are appended to these minutes and made a part hereof.

Ms. Morrison stated that she was pleased to present for the Members’ approval, the issuance of the Corporation’s Multi-Family Rental Housing Revenue Bonds (Linden Plaza), 2008 Series A (the “Bonds”) in an amount not to exceed $80 million. She stated that interest on the Bonds would be exempt from Federal, State and local income tax and that the Bonds would be subject to the Private Activity Bond Volume Cap. She stated that the proceeds of the Bonds would be utilized by the Mortgagor (defined below) to fund the refinancing and rehabilitation of Linden Plaza, a 1,527-unit Mitchell-Lama development located in East New York, Brooklyn.

Ms. Morrison stated that the Bonds were to be utilized by Linden Plaza Preservation L.P. (the “Mortgagor”), a New York limited partnership whose managing partner was Linden General Partner LLC, a New York limited liability company controlled by Richard and Scott DeMatteis of the DeMatteis Organization. She said that the DeMatteis Organization and its subsidiaries owned and managed government housing projects throughout New York City including Keith Plaza, Kelly Towers, Crown Gardens and Knickerboker Plaza, all of which are a part of the Corporation’s portfolio. She then noted the presence at the meeting of Al Sullivan and Ray Savino who were representing the Mortgagor.

Ms. Morrison stated that Linden Plaza (the “Project”), built in 1972, was originally financed utilizing a Section 236-assisted non-federally insured mortgage provided by the Corporation. She said that the Project consisted of four seventeen-story buildings, one 18-story building and six townhouse complexes, as well as vast courtyards, plazas, retail space and parking garages, noting that a large portion of the Project was constructed over a New York City Transit Authority subway car repair yard. She stated that the Project was over thirty-five years old and had accumulated deferred repair needs totaling approximately $56 million. She said that as part of the proposed transaction, the Corporation would lend the Mortgagor funds sufficient to repay existing debt to the Corporation and to complete all deferred repair work.

Ms. Morrison stated that going forward approximately 70% of the Project’s 1,527 units would be reserved for families earning no more than 60% of the New York City Area Median Income (“AMI”), and that the remaining units would be reserved for families earning no more than 80% of AMI. Ms. Morrison stated that as a project assisted under Section 236 of the National Housing Act, Linden Plaza receives monthly interest reduction payments (“IRP”) from the U.S. Department of Housing and Urban Development (“HUD”). She said that HUD had permitted the continuation of the IRP subsidy when the Section 236 mortgage is prepaid and refinanced.

Ms. Morrison stated that following the proposed transaction, the Mortgagor’s total indebtedness would be evidenced and secured by new notes and mortgages to the Corporation; the new first mortgage in the amount of approximately $80 million would relate to the amount supported by the property’s cash flow and a portion of the IRP. Ms. Morrison stated that the

Corporation would make an additional loan for the Project in the amount of $15 million (the "Additional Loan") funded through the Corporation's unrestricted reserves. She said that the Additional Loan would be amortized at a fixed rate of approximately 5.195% and would be supported by a portion of the IRP which would flow directly to the Corporation. She said that the current mortgage exceeds the bonds outstanding, and that the Corporation would use a portion of the excess proceeds from the prepayment of the current mortgage to fund the Additional Loan. Ms. Morrison stated that the Project would also benefit from approximately $31 Million in tax credit equity provided by Aegon USA and noted that more detail on the structure and terms for the two proposed mortgages could be found in the Linden Plaza Memorandum.

Ms. Morrison stated that the Bonds were expected to be secured through a long term irrevocable direct-pay credit facility to be provided by Freddie Mac and that as a result, the Corporation believed that the financing was structured to effectively insulate the Corporation from credit, market and real estate risks. She said that Freddie Mac's credit facility would be in effect for the full term of the Bonds.

Ms. Morrison stated that the Bonds were anticipated to be issued as 7-day variable rate securities with a term of approximately 40 years. She said that as with previous similar projects, a portion of the Bonds were expected to be redeemed at conversion using proceeds from the sale of Federal Low-Income Housing Tax Credits. Ms. Morrison stated that the Underwriter and Remarketing Agent for the Bonds was Banc of America Securities, and that it was expected that the Bonds would be rated AAA by Standard & Poor's Ratings Services ("S&P"). Ms. Morrison stated that the Linden Plaza Memorandum described the risks and fees associated with this Project in greater detail.

Mr. Froehlich then described the provisions of the Authorizing Resolution to the Members and the actions the Members were being requested to approve.

Upon a motion duly made by Mr. Gould, and seconded by Ms. Stark, the Members unanimously:

RESOLVED, to approve (a) the Authorizing Resolution which provides for (i) the adoption of the Bond Resolution, (ii) the execution of the Bond Purchase Agreement regarding the sale of the Bonds, (iii) the distribution of the Official Statement in connection with the financing, and (iv) the execution by an Authorized Officer of mortgage loan related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of the loan and (b) the making of the Additional Loan in an amount not expected to exceed $15,000,000 to be funded by using the Corporation's unrestricted reserves and the execution by an Authorized Officer of the Corporation of mortgage related documents and any other documents necessary to accomplish the subordinate financing.

Ms. Stark stated that as a person who grew up in Brownsville, Brooklyn, which she noted in the past had always been considered East New York, she was very excited about the Project. She recalled spending time at Linden Plaza as a youth and said that Linden Plaza was a fantastic project which is an incredibly important part of Brownsville/East New York and that she is thrilled to be supporting its preservation. The Chairperson thanked Ms. Stark for her thoughts and then stated that the Corporation's financing of the Project had been a long effort done in conjunction with HPD and that HPD would be issuing enhanced vouchers at the site to help ensure its affordability to even very low income people in the community.

The Chairperson stated that the next item of business for consideration by the Members would be the approval of an Authorizing Resolution for the Corporation's Multi-Family Mortgage Revenue Bonds (Beekman Tower), 2008 Series A, 2009 Series A and 2010 Series A. He called upon Matthew Brian, Project Manager for the Corporation, to advise the Members regarding this item.

Mr. Brian first noted that page 4 of the memorandum before the Members had been revised to reflect the revised IRS ruling permitting a 40-year term for variable rate bonds. Mr. Brian then referred the Members to the memorandum before them entitled "Multi-Family Mortgage Revenue Bonds (Beekman Tower), 2008 Series A, 2009 Series A & 2010 Series A Bonds" dated February 19, 2008 (the "Beekman Memorandum") and the attachments thereto including (i) the Resolution Authorizing Adoption of the Multi-Family Mortgage Revenue Bonds (Beekman Tower) Bond Resolution, the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Beekman Tower), 2009 Series A and the Second Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Beekman Tower), 2010 Series A and Certain Other Matters in Connection Therewith (the "Authorizing Resolution"); (ii) Multi-Family Mortgage Revenue Bonds (Beekman Tower) Bond Resolution (the "Bond Resolution"); (iii) the First Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds (Beekman Tower) 2009 Series A and the Second Supplemental Resolution Relating to Multi-Family Mortgage Revenue Bonds, (Beekman Tower) 2010 Series A (each, a "Supplemental Resolution" and together, the "Supplemental Resolutions"); (iv) the Official Statement; (v) the Bond Purchase Agreement relating to the 2008 Series A Bonds; and (vi) the Forward Bond Purchase Agreement relating to the 2009 Series A Bonds and the 2010 Series A Bonds, all of which are appended to these minutes and made a part hereof.

Mr. Brian stated that he was pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Mortgage Revenue Bonds (Beekman Tower), 2008 Series A, 2009 Series A, and 2010 Series A (collectively, the "Bonds") in a total amount not to exceed six hundred and eighty million dollars ($680,000,000). He said that the 2008 Series A Bonds, (the "Tax-Exempt Bonds" or "Liberty Bonds"), were expected to be issued in March 2008 in an amount not to exceed two hundred three million, nine hundred thousand dollars ($203,900,000), and that interest on the 2008 Series A Bonds was anticipated to be exempt from Federal, State, and local income tax. Mr. Brian said that the 2009 Series A Bonds and the 2010 Series A Bonds (the "Taxable Bonds") were expected to be issued in one or two series in 2009 and/or 2010 in an amount not to exceed four hundred seventy-six million, one hundred thousand dollars ($476,100,000), and that interest on the Taxable Bonds would not be exempt from Federal income tax, but would be exempt from State and local income tax.

Mr. Brian stated that the proceeds of the Bonds would be utilized by FC Beekman Associates, LLC (the "Mortgagor"), a single-purpose New York limited liability company. He said that the sole member of the Mortgagor was Mezz LLC, a Delaware limited liability company, whose members are Forest City Tilden Associates, LLC, FC Beekman Holdings, LLC, and the National Electrical Benefit Fund ("NEBF"), a New York corporation. Mr. Brian explained that FC Beekman Holdings, LLC and Forest City Tilden Associates, LLC were owned and controlled by Bruce C. Ratner, Forest City Enterprises and its key principals, key employees and affiliates. He said that Forest City Enterprises was a $10 billion publicly traded real estate company that was principally engaged in the ownership, development, acquisition and management of commercial and residential real estate throughout the United States. As to NEBF, Mr. Brian stated that it was created by the International Brotherhood of Electrical Workers and the National Electrical Contractors Association, and that their real estate investments account for 20% of the Fund's $12 billion in assets. Mr. Brian stated that Forest City Enterprises would be the Project's developer and that this would be their first project financed through HDC. He then noted the presence at the meeting of Jeffery Rosen, representing Forest City Enterprises.

Mr. Brian stated that the Bonds would be issued for the purpose of paying a portion of the costs of constructing and equipping a residential building containing approximately 904 rental units and 1,500 square feet of retail space (the "Project"), noting that the total development would consist of five condominium units. He said that the three remaining condominium units would be financed separately and that they would include (i) an ambulatory care center to be owned and operated by the New York Downtown Hospital, (ii) a below grade 190-space parking garage also to be owned by the Hospital and (iii) a pre-K through 8th grade New York City public school to be owned and operated by the New York City public school system. He said that the site was located at 60 Beekman Street and 8 Spruce Street in Lower Manhattan.

Mr. Brian stated that the Liberty Bonds were authorized by the Job Creation and Worker Assistance Act of 2002, which provided, among other things, that the City and State could issue a total of $8 billion in a special allocation of tax-exempt bonding authority. Mr. Brian stated that as of this total, up to $1.6 billion could be issued for residential rental developments within a designated "Liberty Zone", the boundaries of which are generally below Canal Street in Manhattan. He stated that this would be the seventh and last Liberty Bond Project financed by the Corporation, and that it would utilize the last of the $1.6 billion in Liberty Bonds that could be used for residential developments.

Mr. Brian stated that the residential Liberty Bond allocation was administered by the Corporation and the New York State Housing Finance Agency ("HFA"), and that unlike typical tax-exempt bonds issued by the Corporation, this allocation was not subject to the normal Private Activity Bond Volume Cap. Moreover, the legislation does not provide authority for the issuance of tax credits and does not require that low-income units be created. However, Mr. Brian said, the Corporation would be collecting a fee of approximately $6.1 million for the issuance of the Liberty Bonds, (of which HFA would receive $417,000 for its sub-allocation of Bonds) and approximately $6 million upon the issuance of the Taxable Bonds, and that the Corporation would use these fees to finance affordable housing units through its existing programs.

Mr. Brian stated that the Project had been circulated for review by the joint State-City Liberty Bond Committee, which is composed of representatives of the Corporation, HFA, the Governor's Office and the Mayor's Office. He said that the Project had been designated by the Liberty Bond Committee and was expected to receive approval for the use of two hundred and three million nine hundred thousand dollars ($203,900,000) of the residential allocation of Liberty Bonds from the Mayor and the Governor. Mr. Brian said that thirteen million nine hundred thousand dollars ($13,900,000) of the 2008 Series A Bonds would be allocated to the Project by HFA, and Member approval is conditioned upon the Governor's approval of the HFA allocation.

Mr. Brian stated that the Bonds would be secured by an irrevocable direct pay letter of credit to be issued by RBS Citizens Bank, which was wholly owned by Royal Bank of Scotland and has a rating of AA from Standard & Poor's Ratings Services. RBS Citizens Bank is expected to enter into agreements with co-lenders pursuant to which the co-lenders would contribute to RBS Citizens Bank for payments due under the letter of credit. However, Mr. Brian said, RBS Citizens Bank would be the only bank obligated to the bondholders under the letter of credit. He stated that the other co-lender banks include Eurohypo AG, Nord LB, ING Investment Management, and Fifth Third Bank. He said that Eurohypo AG would act as the administrative agent for RBS Citizens Bank and the other co-lenders.

Mr. Brian stated that the letter of credit would be issued in an amount sufficient to secure the Tax-Exempt Bonds. He said that the Corporation would enter into a Bond Issuance Agreement with RBS Citizens Bank, Eurohypo AG and the Mortgagor pursuant to which the Corporation would agree to issue the Taxable Bonds by 2010, and RBS Citizens Bank would agree to issue a letter of credit in an amount sufficient to secure both the Tax-Exempt Bonds and the Taxable Bonds upon their issuance.

Mr. Brian stated that the initial term of the letter of credit from RBS Citizens Bank would be for four years, with two one-year extensions. He stated that it was anticipated that prior to the expiration of the letter of credit, the Mortgagor would arrange for the letter of credit to be replaced by Corporation approved long-term credit enhancement for the full term of the Bonds.

Mr. Brian concluded by stating that each series of the Bonds would initially be issued as seven-day variable-rate obligations, and that the interest on each such series of Bonds would be reset weekly by Goldman, Sachs & Co. and/or other approved remarketing agents. Mr. Brian said that the Corporation expects that at least one third of the Taxable Bonds would be remarketed by Fifth Third Securities, Inc. and one third by Goldman Sachs; the remaining Taxable Bonds would be marketed by another approved remarketing agent from the Corporation's list of approved underwriters. He said that the Bonds would be subject to a maximum interest rate of 12% per annum in any of the above interest rate modes, although the maximum rate may be increased to 15% in accordance with the provisions of the Bond Resolution. Mr. Brian stated that the Bonds were expected to be rated AA by S&P, and noted that the risks and fees were described in the Beekman Memorandum.

Mr. Moerdler stated that he had two questions and a disclosure. He stated that Members of his firm act for Goldman, Sachs & Co. from time to time but that he does not, and he sees no disabling conflict. Mr. Moerdler then asked what was Eurohypo? Mr. Froehlich replied that Eurohypo was a bank which has an office in New York and is a combination of several older German banks, noting that Eurohypo was not affiliated with Hypo-Vereinsbank, also know as HVB. Mr. Moerdler requested that Forest City Ratner be more responsive to the community than it had been with Atlantic Yards, another Forest City Ratner project which was not financed by HDC. The Chairperson stated that this transaction was the last of the Liberty Bond transactions and that it had taken some time to come to fruition, noting that at one point there had been a tentative agreement with Pace University to include space for Pace, but that eventually dissolved. He said that in terms of being responsive to the community, the current structure of the transaction would include a K through 8 school, which the community was deeply interested in and which the developer did ultimately find a way to incorporate after long negotiations with City Hall and other parts of the administration, as well as the inclusion of hospital space, both of which the Chairperson thought were enormous amenities to the neighborhood.

Mr. Froehlich then described the provisions of the Authorizing Resolution to the Members and the actions the Members were being requested to approve.

Upon a motion duly made by Mr. Moerdler, and seconded by Ms. Stark, the Members unanimously:

RESOLVED, to approve the Authorizing Resolution which provides for (i) the adoption of the Bond Resolution and two Supplemental Resolutions, (ii) the execution of the Bond Purchase Agreement regarding the sale of the 2008 Series A Bonds and Forward Bond Purchase Agreements relating to the sale of the 2009 Series A Bonds and the 2010 Series A Bonds, (iii) the execution of the Bond Issuance Agreement regarding the terms and conditions for the issuance of the Taxable Bonds, (iv) the distribution of the Official Statements in connection with the financing of the 2008 Series A Bonds, the 2009 Series A Bonds and the 2010 Series A Bonds and (v) the execution by an Authorized Officer of the Corporation of mortgage loan related documents and any other documents necessary to accomplish the issuance of the Bonds and the financing of the loan(s).

The Chairperson stated that the next item on the agenda would be the Appointment of Officers. He called upon Mr. Jahr to advise the Members regarding this item.

Mr. Jahr stated that he would like to recommend to the Members the appointment of three individuals. First, he said, he would like to recommend the appointment of Joan Tally as Senior Vice President for Development. He stated that Ms. Tally first joined HDC in 2001 as a Project Manager and quickly rose to Assistant Vice President and Vice President positions before being named Acting Senior Vice President upon Rachel Grossman's departure in October of 2007. He stated that Ms. Tally had demonstrated strong leadership and poise in addressing the changing needs of HDC. He said that she was a graduate of Hunter College and had a Masters in Urban Planning from there as well. He stated that before joining HDC, she worked as a project manager at Neighborhood Housing Services and as a Planner in the Manhattan Borough President's Office. Mr. Jahr stated that Ms. Tally's appointment would be effective today at a salary of $160,000.00 and that she would receive four weeks of annual leave.

Upon a motion duly made by Mr. Kelly, and seconded by Ms. Stark, the Members unanimously:

RESOLVED, to appoint Joan Tally as Senior Vice President for Development, effective immediately at a salary of $160,000.00 with four weeks annual leave.

The Chairperson congratulated Ms. Tally and stated that it had been a pleasure working with her and that all of the staff at HPD were happy about her appointment today. Ms. Tally thanked the Chairperson for this great opportunity.

Mr. Jahr stated that second, he would like to recommend the appointment of Mathew M. Wambua as Executive Vice President for Real Estate and External Affairs for the Corporation. As you know, he said, Mr. Wambua recently resigned as a Member of the Corporation, and was the Senior Policy Advisor for the New York City Deputy Mayor of Economic Development. He said that prior to joining the Mayor's Office, Mr. Wambua was Vice President for Special

Projects at the New York City Economic Development Corporation. Mr. Jahr said that Mr. Wambua brings to HDC an excellent understanding of the Corporation and its importance in meeting the high goals of the Mayor's *New Housing Marketplace* plan. He noted that Mr. Wambua had a B.A. from the University of California at Berkeley and a Masters in Public Policy from Harvard University's John F. Kennedy School of Government. Mr. Jahr stated that Mr. Wambua's appointment would be effective as of February 19, 2008 at a salary of $175,000.00. He noted that Mr. Wambua would receive four weeks annual leave pursuant to HDC's current policies for employees.

Upon a motion duly made by Mr. Gould, and seconded by Ms. Stark, the Members unanimously:

RESOLVED, to appoint Mathew M. Wambua as Executive Vice President for Real Estate and External Affairs, at a salary of $175,000.00 with four weeks annual leave.

The Chairperson stated that working as closely as he had with Mr. Wambua over the past several years during his position at the Deputy Mayor's office, as well as his work on behalf of HDC, it was an incredible pleasure to have him join the staff at HDC and there was no doubt that he would make incredible contributions to the Corporation. Mr. Wambua thanked the Chairperson and stated that the pleasure was all his.

Mr. Jahr stated that third, he would like to recommend the appointment of Richard M. Froehlich as Executive Vice President for Capital Markets. He said that as you know, Mr. Froehlich has worked for the Corporation since 2003 when he was initially appointed as Senior Vice President and General Counsel. He said that after his promotion, Mr. Froehlich would continue to serve as General Counsel of the Corporation. Mr. Jahr stated that Mr. Froehlich had demonstrated great leadership and understanding of the many challenges that the Corporation must address, and that he had the problem solving abilities to address the financial goals of the Corporation with its legal requirements. He noted that Mr. Froehlich graduated with an A.B. from Columbia College and received his J.D. from Columbia University School of Law. He said that Mr. Froehlich's appointment would be effective immediately, that his new salary would be $184,000.00 and that he would receive four weeks of annual leave.

Mr. Moerdler stated that Mr. Froehlich was an exceptional talent that the Corporation was very fortunate to have and to retain. The Chairperson stated that that was demonstrated extremely well during the period of transition when Mr. Froehlich took so much upon himself and had done a stellar job in leading the Corporation during that period, and so the promotion is well deserved.

Upon a motion duly made by Mr. Kelly, and seconded by Ms. Stark, the Members unanimously:

RESOLVED, to appoint Richard M. Froehlich as Executive Vice President for Capital Markets, effective immediately at a salary of $184,000.00 with four weeks annual leave.

The Chairperson stated that there were two other items of business which were reports on a couple of items for the Corporation. First he called upon Mr. Kelly to discuss the financial report.

Mr. Kelly stated that at today's Audit Committee meeting Ernst & Young delivered a report on their 2007 audit of the Corporation; the audit was complete, Ernst & Young issued a clean opinion and the Audit Committee approved the Fiscal Year 2007 Audited Financial Statements of the Corporation.

Next the Chairperson called upon Mr. Froehlich to report on the Auction Rate market.

Mr. Froehlich stated that the Auction Rate market had essentially collapsed in the last two weeks. He said that the Corporation started seeing significant market disturbances last fall and the staff began the process of addressing its auction rate exposure. He said that although HDC had seen some recent improvement in the market, Auction Rate Securities ("ARS") were priced very high near the maximum rates permitted under the resolutions. He stated that the Corporation doesn't expect significant improvement and that it was trying to reposition all of the Corporation's ARS bonds, noting that the Corporation had both stand-alone and Open Resolution ARS deals which at the beginning of February 2008 totaled in excess of $800 million. He said that there were three categories of debt that he would like to focus on: Fannie Mae conduit debt, taxable auction rate debt and tax-exempt auction rate debt.

Mr. Froehlich stated that Fannie Mae unveiled its auction rate program several years ago as it was seeking to limit its liquidity exposure. Mr. Froehlich stated that the Corporation did the first Fannie Mae auction rate deal and noted that that program had been a disappointment. He said that the four deals, totaling $515 million, were now all being converted to a variable rate mode with Fannie Mae liquidity. He said that the Corporation had converted the bond issue pertaining to the Related-Westport Project in February, and that three other bond issues – 2 Gold Street, 90 Washington Street and the Royal Charter Properties-East, Inc. Project -- would all be converted in March. He stated that upon the completion of those three conversions, all of the Fannie Mae ARS would have been converted to Variable Rate Demand Obligations ("VRDO").

Mr. Froehlich stated that the Corporation had four taxable ARS series in the Open Resolution (2005 Series B, 2005 Series I, 2006 Series E and 2006 Series F) totaling $82 million, and that the Corporation had sent out redemption notices for each of these series. Mr. Froehlich said that, unfortunately, one of these series was reset last week at 11.75%, but that the Corporation had sent out redemption notices for the other series before they would have been reset after the failure of the market. He stated that most importantly, the Corporation approached the Federal Home Loan Bank ("FHLB") to encourage them to buy floating rate debt from HDC that would be indexed to the FHLB discount notes and would not require liquidity or remarketing, and that HDC had now received a verbal commitment to purchase $100 million in bonds that it expects to refinance in April. He said that at the time that such bonds are issued, HDC's corporate reserves would be reimbursed for the moneys being expended now to pay off these bonds.

Mr. Froehlich stated that there were also five tax-exempt bond series totaling $211.5 million. He said that because of concerns about the impact of potential reissuing of debt that could imperil the tax credits, the Corporation was facing particular challenges. Nevertheless, Mr. Froehlich said, HDC was attempting to reposition such debt as follows:

2003 Series A — Mr. Froehlich stated that this auction had a maximum rate of 1.75 times the London Interbank Offered Rate ("LIBOR") and that the Corporation had a failure last week. He said that the Corporation expects to refinance these bonds in April.

2006 Series G-2 — Mr. Froehlich stated that the Corporation just put out a notice to redeem these bonds as four of the five projects had been placed in service and thus redeeming these bonds would not affect the tax credits for the five developments. He said that HDC would reimburse itself when these projects convert and pay down their debt over the next year.

2006 Series J-1 — Mr. Froehlich stated that this was a conduit financing for Avalon Bay's Cathedral Parkway development. He said that Avalon was responsible for covering the interest differential, and that the Corporation had worked with them to identify a standby liquidity provider that would enable HDC to remarket these bonds as VRDO. He stated there had been some relief last week when the IRS issued its advisory opinion which clarified that adding liquidity to multi-modal bond transactions would not lead to a reissuance, and that such advisory opinion was applicable to both the 2006 Series J-1 Bonds and the 2006 Series J-2-B Bonds mentioned below.

2006 Series J-2-B — Mr. Froehlich stated that this deal was also multi-modal and the Corporation expected to add a short-term standby liquidity facility for this series to allow the bonds to be converted to VRDO.

2007 Series B-2 — Mr. Froehlich stated that this bond series presented HDC's biggest challenge as this $54.3 million transaction was not multi-modal and any changes in its bond structure might cause a reissuance. He stated that HDC was working with Bear Stearns & Co. Inc. and other bankers to see if the Corporation could come up with a structure that would allow HDC to reposition this debt. He said that one potential opportunity was for a bank to buy the bonds and place them in the bank's tender program. He noted that HDC would continue to pursue such options in order to address this series.

Mr. Froehlich stated that in light of rapidly moving market conditions the Corporation was asking for the authority to amend the Resolutions relating to the 2007 Series B-2 Bonds as necessary to effectuate its remarketing. He stated that the specific authority being asked for was that that the President, any Executive Vice President and any Senior Vice President be authorized to agree, in the name and on behalf of the Corporation, to redeem the Multi-Family Housing Revenue Bonds, 2007 Series B-2, in the event that such Bonds cannot be remarketed, and to take any and all actions necessary or desirable to effectuate the same, including, but not limited to, delivering to the Trustee any amendments to the Bond Resolutions, and executing and delivering any and all other documents as deemed appropriate to effectuate a remarketing of such Bonds.

Mr. Page cautioned the Corporation to carefully consider its decision to exit the auction rate market and to leave its options open in case future auctions produced better results. Mr. Froehlich assured Mr. Page that the auctions would happen as scheduled and if the bonds could not be remarketed at that time, the Corporation would amend the documents as necessary to create the best returns for the Corporation.

Upon a motion duly made by Mr. Kelly, and seconded by Mr. Moerdler, the Members unanimously:

RESOLVED, that the President, any Executive Vice President and any Senior Vice President is authorized to agree, in the name and on behalf of the Corporation, to redeem the

Multi-Family Housing Revenue Bonds, in the event that such Bonds cannot be remarketed, and to take any and all actions necessary or desirable to effectuate the same, including, but not limited to, delivering to the Trustee any amendments to the Bond Resolutions, and executing and delivering any and all other documents as deemed appropriate.

At 3:52 p.m., there being no further business, upon a motion duly made by Mr. Moerdler, and seconded by Mr. Page, the meeting was adjourned.

Respectfully submitted,

Diane J. Pugacz
Assistant Secretary

MINUTES
OF THE MEETING OF THE
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

February 27, 2008

ATTENDANCE LIST

NAME	**AFFILIATION**
Howard I. Berkman	Hawkins Delafield & Wood LLP
R. Gregory Henniger	" "
Marvin Markus	Goldman, Sachs & Co.
Alan Jaffe	" "
Kent Hiteshew	Bear, Stearns & Co. Inc.
Barbara Feldman	Merrill Lynch & Co.
Ken Rogozinski	JP Morgan Securities Inc.
Eileen Heitzler	Orrick, Herrington & Sutcliffe LLP
Jeff Rosen	Forest City Ratner Companies
Kimberly Hancey	Ernst & Young LLP
Alan Sullivan	DeMatteis Organization
Ray Savino	" "
Eric P. Taylor	Winston & Strawn LLP
Ellen Duffy	Banc of America Securities
Joseph Piazza	NYC Department of Investigation
Catherine Riccards	" "
Marc Jahr	New York City Housing Development Corporation
Richard M. Froehlich	" "
Mathew Wambua	" "
Joan Tally	" "
Diane J. Pugacz	" "
Eileen M. O'Reilly	" "
Teresa Gigliello	" "
Cathleen Baumann	" "
Jeffrey B. Stone	" "
Susannah Lipsyte	" "
Claudine Brown	" "
John Fagan	" "
Ted Piekarski	" "
Mary Hom	" "
Urmas Naeris	" "
Bharat Shah	" "
Jonah Lee	" "
Susan O'Neill	" "
Peggy Joseph	" "
Anne Neujahr Morrison	" "
Matthew Brian	" "

Carrie Knudson	“	”
Simon Bacchus	“	”
Mary McConnell	“	”
Shirley Jarvis	“	”
Mary John	“	”
Pellegrino Mariconda	“	”
Violine Roberty	“	”
Stephen Mondelli	“	”
Christina Sanchez	“	”